market. During 1993-94, there was a largo supply of foreign exchange on account of exceptionally strong growth in the counbtrys export earnings and inflows of foreign capital as also positive inflows of non-resident deposits. At the same time import demand was unexpectedly weak as imports increased only by 6.1 per cent in dollar terms during 1993-94. These trends led *to* a welcome build-up in foreign currency reserves from the low levels to which they had dropped earlier. The weakness in import growth can be expected to be a temporary .phenomenon. A high level of reserves is required to meet any contingencies which may arise from time to time in the context of a more open economy.

An increase in the value of the Rupee will adversely affect our exports and will encourage imports which together would worsen the balance of trade. This will also prevent the country from building up comfortable stocks of foreign exchange reserves which are our security against future contingencies.

(c) Reserve Bank of India'snet purchases o the beneficiaries and also the amounted to US $ 12582 mil

(d) The exchange rate of the Rupee is continuously monitored and its movements are assessed from the point of view of export performance, the cost of' imports, the burden of debt servicing and other factors.

Committee to Trace the end Use of Money in Securities Scam

*134. SHRIMATI KAMLA SINHA.
DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether the committee set up to trace the end use of money in the securities scam has submitted its report to Goverment;

(b) if so what are! the findings of the committee; and

(c) the steps contemplated by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) The Inter-Disciplinary Group for tracing end use of monies involved in the exposure of banks and financial institutions in the irregular securities transactions, submitted an Interim Report to Reserve Bank of India in which they have reconciled the variation in the figures of exposure atfri-ved at by the lanakiraman Committee, CBI and Custodian's Office. The Interim Report also presents analysis of debits and credits in 143 bank accouuts of Harshad Mehta Group out of 173 accounts of this group. The scrutiny is ! continuing. Further the Interim Repoat | details the constraints in tracing the i end use of funds and identifying the assets acquired by strategies for looking into this [matter.

Reserve Bank of India has been requested by the Government to review the progess made by the Group and to provide additional man power support to enable it to complete its task expedi- tiously.

Acquisition off American dollars by K'H

etc..

*135. SHRI INDER KUMAR GUJ-
RAL; Will the Minister of FINANCE be pleased to state;

(a) the amount of American dollars acquired in the post budget period by the RBI or other authorised agencies of the Government of India;

(b) whether the quantum of such purchases was conditioned by Weak ening of the US currency in interna tional market;

(c) whether the size of purchases tas, in any way, caused inflationary prsaeu're on Indias Monetary system

(d) whether Government are contemplating amending its fiscal, policies to meet the situation?

THE MINISTER OP STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Since the pesenta-tion of the Union Budget on February 28, 1994 the Reserve Bank of India has purchased US $ 6642 million from authorised dealers upto July 22, 1994.

(b) The US dollar being the intervention currency, sale and purchase of foreign exchange from the authorised dealers are effected in U.S.. dollars. The purchases by the RBI are determined by the surplus of' US dollars in the Indian foreign exchange market.

(c) Accretion to foreign exchange reserves results in reserve money creation. This increase in reserve money leads to money supply expansion which if excessive, contributes be inflation. However, supplyside factors like foodgtain stocks, availability of foreign exchange reserves r;c. mitigate these inflationary pres-sures. In the current year, the Cen-tt-al Government's recourses to net RBI credit has bean significantly lower which has moderated the impact of foreign exchange reserves on serve money and on money supply expansion.

(d) Government is determined to keep the fiscal deficit within 6 per of GDP duing 1994-S5 against 73 per cent during 1993-94 and also restrict the recourse to ad hoc trea- bills as stipulated in the Budget for 1994-95. Fiscal policy is cons- under tantlyunder review to meet the exig' .- ncies of thd situation.

Withdrawal of subsidy from energy sector

137. SHRI GURUDAS DAS GUPTA: SHRI JALALUDIN ANSARI:

Will the Minister of POWER be pleased to state;

(a), whether it is a fact that Gov eminent are considering a proposal to completely withdraw subsidy from the energy sector; and

(b) if so, what is the extent and expected rise in the power tariff a a result thereof?

THE MINISTER OF POWER (SHRI N. K. P. SALVE): (a) No, Sir. The tariff for sale of electricity to the different sectors of consumers and the extent of subsidy to he provided is fixed by the SEBs with the approval of-the concerned State Governments.

(b) Does -not arise.

Expansion of. AIR/DD network in Madhya Pradesh

*133. SHRI GHUFRAN AZAM; Will the Minister .of INFORMA-TION" AND BROADCASTING be pleased to state: *

(a) whether Madhya Pradesh Gov, '.rnraent have recently sent proposals to the Union Government for the expansion of AIR/Doordarshan net- I work;

(b) if so, whether theexisting number of T.V. transmitters and AIR M-afions in the State are inadequate : to cover the emirs population and area; and

(e) if so, the plans of Government to set up such AIR/Doordarshan. trans-mitters during the Eighth Plan period?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI K. P. SINGH DEO): (a) Yes Sir.

(b) Present coverage of the State by AIR is 97 percent by population and 95 percent by area, while the coverage by Doordarshan is 69.7 per . cent by population and 64.4 per cent i by area. The national average- cove-! rage is as follows;